

FILED

IN THE MATTER OF:

The Explo Systems Inc. Site
Webster Parish, Louisiana

General Dynamics Ordnance and Tactical
Systems, Inc. and Alliant Techsystems Inc.

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SETTLEMENT AGREEMENTS
FOR RECOVERY OF PAST
RESPONSE COSTS
EPA REGION VI

U.S. EPA Region 6
CERCLA Docket No. 06-06-14

PROCEEDING UNDER SECTION
122(h)(1) OF CERCLA
42 U.S.C. § 9622(h)(1)

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
CERCLA SECTION 122(h)(1) SETTLEMENT AGREEMENT
FOR RECOVERY OF PAST RESPONSE COSTS**



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I. JURISDICTION

1. This Settlement Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9622(h)(1), which authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D and redelegated to the Superfund Division Director by EPA Delegation No. R6-14-14-D.

2. This Settlement Agreement is made and entered into by General Dynamics - Ordnance and Tactical Systems, Inc. ("GD-OTS"), and Alliant Techsystems Inc. ("ATK or Alliant") ("the Settling Parties"), and EPA. Each Settling Party consents to and will not contest EPA's authority to enter into this Settlement Agreement or to implement or enforce its terms. EPA and Respondents recognize that this Settlement Agreement has been negotiated in good faith and that the actions undertaken by Settling Parties do not constitute an admission of any liability.

II. BACKGROUND

3. This Settlement Agreement concerns the Explo Systems, Inc. ("Site") located near Doyline, La. in Webster Parish, La. EPA alleges that the Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

4. In response to the release or threatened release of hazardous substances at or from the Site, EPA undertook response actions at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604. The following constitutes a description of Site and conditions at the Site.

a. The Site is located on a portion of Camp Minden, La., in the northwestern corner of the State of Louisiana, in Webster Parish, near the town of Doyline; and includes the S-line which occupies 110 acres where Explo Systems, Inc. conducted demilitarization and disposal operations. The Site also includes areas where Explo Systems, Inc. stored explosive materials including areas L-1, L-2, L-3 and L-4, which encompass approximately 216 acres, 218 acres, 276 and 57 acres respectively. Camp Minden includes approximately 14,995 acres, and was formerly known as the Louisiana Army Ammunition Plant ("LAAP"). LAAP's primary function was to produce, assemble, load, and pack ammunitions. Burning and demolition activities were also performed to destroy explosives and explosive wastes generated by manufacturing of munitions. The above activities resulted in LAAP's placement on the National Priorities List in March 1989.

b. On January 1, 2005, the United States Army ("Army") transferred ownership of the LAAP to the State of Louisiana Military Dept./National Guard ("LM/NG"), and the property was re-named Camp Minden, Louisiana. As owner of the Site property, LM/NG entered into leasing agreements with Explo Systems, Inc. ("Explo"), which allowed Explo to use the Site property and approximately 100 magazines/buildings. Explo utilized the Site property, magazines and buildings to perform activities required under demilitarization and

disposal contracts (i.e., November 16, 2006 and March 24, 2010 contracts) Explo entered into with the Army.

c. On October 15, 2012, an explosion of a magazine and a box van trailer containing black powder and M6 propellant occurred at the Explo Site. The explosion of the magazine containing 124,190 pounds of smokeless powder and the trailer containing 42,240 pounds of M6 propellant completely destroyed the magazine and the trailer. The explosion shattered windows in Minden, La. located approximately four miles northeast of the Site. As a result of the violations observed during inspection of the explosion, the Louisiana State Police ("LSP") served a search warrant on Explo. The search warrant was executed on November 27, 2012. During the search, LSP identified 9-10 million pounds of unsecured and improperly stored M6 propellant. The M6 propellant was stored in 60 pound cardboard boxes, 110-140 pound drums, and 880 pound super sacks throughout Site buildings, hallways, and outside. From November 30, 2012 through December 7, 2012, people from the town of Doyline, Louisiana (i.e., approximately 400 homes) were voluntarily evacuated due to the risk of explosion from the M6 propellant, and its unsafe proximity to the human population residing in Doyline, Louisiana. From November 28, 2012, through May 2013, the LSP and Explo secured and stored the M6 propellant in magazines at the Site. Some of the magazines where the M6 propellant was stored were not subject to the lease agreements between the LM/NG and Explo.

d. Additional investigation of the Site revealed the improper storage of several materials. For example, the Army's Explosives Safety Board 2013 safety reviews show the materials stored at the Site include: 1) 128 pounds of black powder; 2) 200 pounds of Composition H6; 3) four 50-gallon drums of ammonium perchlorate; 4) two 50-gallon drums and two 150 pound boxes of Explosive D (ammonium picrate); 5) 109,000 pounds of M30 propellant; 6) 320,000 pounds of Clean Burning Incendiary (CBI); 7) 661,000 pounds of nitrocellulose; 8) 1.817 million pounds of tritonal mixed with wax/tar; and 9) 15 million pounds of M6 propellant. Some of the chemicals included in the above materials include trinitrotoluene (TNT), 1,3,5- trinitrobenzene, dinitrotoluene, dibutylphthalate, nitroglycerin, cyclotrimethylenetrinitramine (RDX), and nitrocellulose. Some or all chemicals listed above are CERCLA hazardous substances because they are either listed hazardous substances under 40 CFR §302.4, or characteristic hazardous waste under 40 CFR §261.23. Some or all of these materials are known to be highly reactive according to material safety data sheets. Incompatible hazardous materials are stored in close proximity to one another. There is no stability monitoring program in place for the M6 propellant and other explosives at the Site.

e. Site investigations also show that Explo utilized Site property and buildings to perform sub-contract work required under the Demilitarization and Disposal Purchase Order Agreement (i.e., August 28, 2008) between Explo and GD-OTS. GD-OTS served as the primary contractor under the August 28, 2008, Purchase Order for the demilitarization and disposal contract work. GD-OTS served as the primary contractor under August 18, 2005, and March 17, 2011, demilitarization and disposal contracts between GD-OTS and the Army. Pursuant to a separate Purchase Order (i.e., May 4, 2012) M30 propellant was sent by GD-OTS to the Explo Site for recycling. The M30 propellant and tritonal contain some of the chemicals (e.g., nitrocellulose, nitroglycerin, and nitroguanidine) listed in item 4.d. Explo also utilized Site property and

buildings to perform sub-contract work for Alliant. Alliant and the U.S. Army entered into a September 12, 2003 contract requiring Alliant to supply the U.S. Army with trinitrotoluene ("TNT") reclaimed from the tritonal included in bombs over a 5-year period. The above contract identifies Explo as a subcontractor who reclaimed TNT from the tritonal included in the bombs. Explo's agreements (i.e., July 24, 2002, May 6, 2010) with Alliant also resulted in the shipment of nitrocellulose to the Site. Also, site investigations show that the Army contracted directly with Explo for demilitarization and disposal of munitions and materials that contained M6 propellant.

f. Site investigations show that the hazardous materials at the Site present a significant risk of an explosion, and injury to workers and residents near the Site. The investigations show that due to the handling and unknown storage conditions of the materials, lot integrity/identity has been compromised and the stability of the materials cannot be guaranteed. In addition, materials such as nitrocellulose have the ability to auto-ignite due to the degradation/aging process which leads to the loss of stabilizers over time. As such, the conditions at the Site and a preponderance of evidence show that materials should be addressed in the near-term. Due to the volume of explosive and hazardous materials, the unknown stability of such materials, the incompatible storage of such materials, and the unsafe proximity to human populations, there is a significant threat of an explosion. On September 6, 2013, the Louisiana Governor declared a state of emergency with respect to the Site because of the 18 million pounds of M6 propellant and other explosives stored at the Site, and the safety risks presented to the citizens and property of the State of Louisiana.

g. Due to the handling and storage conditions of the hazardous materials described above, and the threat of explosion and injury to Site workers on-site and nearby residents, the LSP commenced license revocation proceedings against Explo on May 20, 2013. The LM/NG commenced eviction proceedings against Explo for delinquent rent and expenses on July 22, 2013. In addition, the United States Alcohol, Tobacco, and Firearms Bureau (ATF) issued a notice of license revocation on August 5, 2013, due to a criminal indictment pending against Explo, and the improper storage of explosives at the Site. The Webster Parish, Louisiana, District Attorney's Office issued a criminal indictment against several of Explo's executives and officers on June 10, 2013.

h. On August 12, 2013, Explo filed for Chapter 11 bankruptcy in the United States Bankruptcy Court, Western District of Louisiana, Shreveport Division, Case No.13-12046. At a September 23, 2013, hearing the U.S. Bankruptcy Court granted the Louisiana State Department of Public Safety and Corrections and LM/NG's motion to take possession of and confiscate all of Explo's explosives located at Camp Minden, and possession of all leased premises and premises where the explosives were stored. The Bankruptcy Court terminated all leases between Explo and LM/NG. On September 30, 2013, the Bankruptcy Court transferred title and ownership of the M6 and other explosives stored at Camp Minden, La., to the Louisiana Military Department.

5. In performing response actions at the Site including site inspections, testing and sampling of materials, and determining appropriate removal measures for the Site, EPA has incurred response costs at or in connection with the Site. EPA alleges that Settling Parties are

responsible parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and are jointly and severally liable for response costs incurred or to be incurred at or in connection with the Site.

6. EPA has determined that the total past and projected response costs of the United States at or in connection with the Site will exceed \$500,000, excluding interest.

7. EPA and Settling Parties recognize that this Settlement Agreement has been negotiated in good faith and that this Settlement Agreement is entered into without the admission or adjudication of any issue of fact or law.

III. PARTIES BOUND

8. This Settlement Agreement shall be binding upon EPA and upon Settling Parties and their successors, and assigns. Any change in ownership or corporate or other legal status of a Settling Party, including but not limited to, any transfer of assets or real or personal property, shall in no way alter such Settling Party's responsibilities under this Settlement Agreement. Each signatory to this Settlement Agreement certifies that he or she is authorized to enter into the terms and conditions of this Settlement Agreement and to bind legally the party represented by him or her.

IV. DEFINITIONS

9. Unless otherwise expressly provided in this Settlement Agreement, terms used in this Settlement Agreement that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meanings assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Settlement Agreement or its appendices, the following definitions shall apply:

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675.

"Day" or "day" shall mean a calendar day. In computing any period of time under this Settlement Agreement, where the last day would fall on a Saturday, Sunday, or federal or state holiday, the period shall run until the close of business of the next working day.

"Effective Date" shall mean the effective date of this Settlement Agreement as provided by Section XVII.

"EPA" shall mean the United States Environmental Protection Agency and its successor departments, agencies, or instrumentalities.

"EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

"Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on

October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.²

“Paragraph” shall mean a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

“Parties” shall mean EPA and Settling Parties.

“Past Response Costs” shall mean all costs, including but not limited to direct and indirect costs, that EPA has paid at or in connection with the Site through January 31, 2014, plus accrued Interest on all such costs through such date. The Agency’s past costs paid through January 31, 2014, is \$406,176.18.

“RCRA” shall mean the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992 (also known as the Resource Conservation and Recovery Act).

“Section” shall mean a portion of this Settlement Agreement identified by a Roman numeral.

“Settlement Agreement” shall mean this Settlement Agreement [and any attached appendices]. In the event of conflict between this Settlement Agreement and any appendix, the Settlement Agreement shall control.

“Settling Parties” shall mean General Dynamics - Ordnance and Tactical Systems, Inc. (“GD-OTS”), and Alliant Techsystems Inc. (“ATK or Alliant”).

“Site” shall mean the Explo Systems, Inc. Site located on a portion of the Louisiana Army Ammunition Plant; the Louisiana Army Ammunition Plant was renamed Camp Minden under a January 1, 2005, property agreement transfer. The Site is located in the northwestern corner of the State of Louisiana, in Webster Parish, near the town of Doyline, and is comprised of the S-line which occupies 110 acres where Explo Systems, Inc. conducted demilitarization and disposal operations. The Site also includes areas where Explo Systems, Inc. stored explosive materials including areas L-1, L-2, L-3 and L-4, which encompass approximately 216 acres, 218 acres, 176 acres and 57 acres respectively.

“Explo Systems Inc. Special Account” shall mean the special account, within the EPA Hazardous Substance Superfund, established for the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

² The Superfund currently is invested in 52-week MK notes. The interest rate for these MK notes changes on October 1 of each year. Current and historical rates are available online at http://www.epa.gov/ocfopage/finstatement/superfund/int_rate.htm.

“United States” shall mean the United States of America and each department, agency, and instrumentality of the United States, including EPA.

V. PAYMENT OF RESPONSE COSTS

10. Payment by Settling Parties for Past Response Costs. Within 30 days after the Effective Date, Settling Parties shall pay to EPA \$111,800.00, plus an additional sum for Interest on that amount calculated from January 31, 2014, through the date of payment. After payment of the \$111,800.00 by Respondents, EPA will send the Respondents notice of the amount of interest due, and payment of the interest shall be due within 30 days of such notice.

11. Payment by Settling Parties shall be made to EPA by Fedwire Electronic Funds Transfer (“EFT”) to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045
Field Tag 4200 of the Fedwire message should read “D 68010727
Environmental Protection Agency”

and shall reference Site/Spill ID Number A6GH and the EPA docket number for this action.

For ACH payment:

Payment by Settling Parties shall be made to EPA by Automated Clearinghouse (“ACH”) to:

PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact – Jesse White 301-887-6548
ABA = 051036706
Transaction Code 22 - checking
Environmental Protection Agency
Account 310006
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and shall reference Site/Spill ID Number A6GH and the EPA docket number for this action.

For online payment:

Payment shall be made at <https://www.pay.gov> to the U.S. EPA account in accordance with instructions to be provided to Settling Parties by EPA.

12. At the time of payment, Settling Parties shall send notice that payment has been made to EPA in accordance with Section XIII Notices and Submissions, and to the EPA Cincinnati Finance Office by email at acctsreceivable.cinwd@epa.gov, or by mail to:

EPA Cincinnati Finance Office
26 Martin Luther King Drive
Cincinnati, Ohio 45268

Such notice shall reference Site/Spill ID Number A6GH and the EPA docket number for this action.

13. The total amount to be paid pursuant to Paragraph 10 shall be deposited by EPA in the Explo Systems Inc. Site Special Account within the Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

VI. FAILURE TO COMPLY WITH SETTLEMENT AGREEMENT

14. Interest on Late Payments. If any Settling Party fails to make any payment required by Paragraph 10 by the required due date, Interest shall continue to accrue on the unpaid balance through the date of payment.

15. Stipulated Penalty.

a. If any amounts due to EPA under Paragraph 10 (Payment by Settling Parties for Past Response Costs) are not paid by the required date, Settling Parties shall be in violation of this Settlement Agreement and shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 14, \$10,500 per violation per day that such payment is late.

b. Stipulated penalties are due and payable within 30 days after the date of demand for payment of the penalties by EPA. All payments to EPA under this Paragraph shall be identified as "stipulated penalties," shall reference Site/Spill ID Number A6GH and the EPA docket number for this action, and shall be made by Fedwire Electronic Funds Transfer ("EFT") to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727
Environmental Protection Agency"

c. At the time of payment, Settling Parties shall send notice that payment has been made as provided in Paragraph 12 above.

d. Penalties shall accrue as provided in this Paragraph regardless of whether EPA has notified Settling Parties of the violation or made a demand for payment, but need only be paid upon demand. All penalties shall begin to accrue on the day after payment is due and shall continue to accrue through the date of payment. Nothing in this Settlement Agreement shall prevent the simultaneous accrual of separate penalties for separate violations of this Settlement Agreement.

16. In addition to the Interest and stipulated penalty payments required by this Section and any other remedies or sanctions available to EPA by virtue of Settling Parties' failure to comply with the requirements of this Settlement Agreement, any Settling Party who fails or refuses to comply with the requirements of this Settlement Agreement shall be subject to enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. § 9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Settlement Agreement, Settling Parties shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

17. The obligations of Settling Parties to pay amounts owed to EPA under this Settlement Agreement are joint and several. In the event of the failure of any one or more Settling Parties to make the payments required under this Settlement Agreement, the remaining Settling Parties shall be responsible for such payments.

18. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Settlement Agreement. Payment of stipulated penalties shall not excuse Settling Parties from payment as required by Section V or from performance of any other requirements of this Settlement Agreement.

VII. COVENANTS BY EPA

19. Covenants for Settling Parties by EPA. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue or take administrative action against Settling Parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Past Response Costs. These covenants shall take effect upon receipt by EPA of the payment required by Paragraph 10 (Payment by Settling Parties for Past Response Costs) and any Interest

or stipulated penalties due thereon under Paragraph 14 (Interest on Late Payments) or 15 (Stipulated Penalty). These covenants are conditioned upon the satisfactory performance by Settling Parties of their obligations under this Settlement Agreement. These covenants extend only to Settling Parties and do not extend to any other person.

VIII. RESERVATIONS OF RIGHTS BY EPA

20. EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Settling Parties with respect to all matters not expressly included within the Covenants for Settling Parties by EPA in Paragraph 19. Notwithstanding any other provision of this Settlement Agreement, EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Settling Parties with respect to:

- a. liability for failure of Settling Parties to meet a requirement of this Settlement Agreement;
- b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs;
- c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;
- d. criminal liability; and
- e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.

21. Nothing in this Settlement Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, that the United States may have against any person, firm, corporation or other entity not a signatory to this Settlement Agreement.

IX. COVENANTS BY SETTLING PARTIES

22. Covenants by Settling Parties. Settling Parties covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Past Response Costs, and this Settlement Agreement, including but not limited to:

- a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claims arising out of the response actions at the Site for which the Past Response Costs were incurred, including any claim under the United States Constitution, the Constitution of the State of Louisiana, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, or at common law; and

c. any claim pursuant to Section 107 or 113 of CERCLA, 42 U.S.C. § 9607 or 9613, Section 7002(a) of RCRA, 42 U.S.C. § 6972(a), or state law for Past Response Costs.

23. Nothing in this Settlement Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

24. Claims Against De Micromis Parties. Settling Parties agree not to assert any claims and to waive all claims or causes of action (including but not limited to claims or causes of action under Sections 107(a) and 113 of CERCLA) that they may have for all matters relating to the Site against any person where the person's liability to Settling Parties with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if all or part of the disposal, treatment, or transport occurred before April 1, 2001, and the total amount of material containing hazardous substances contributed by such person to the Site was less than 110 gallons of liquid materials or 200 pounds of solid materials.

25. The waiver in Paragraph 24 shall not apply with respect to any defense, claim, or cause of action that a Settling Party may have against any person meeting the above criteria if such person asserts a claim or cause of action relating to the Site against such Settling Party. This waiver also shall not apply to any claim or cause of action against any person meeting the above criteria if EPA determines:

a. that such person has failed to comply with any EPA requests for information or administrative subpoenas issued pursuant to Section 104(e) or 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) or 9622(e), or Section 3007 of RCRA, 42 U.S.C. § 6972, or has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the Site, or has been convicted of a criminal violation for the conduct to which this waiver would apply and that conviction has not been vitiated on appeal or otherwise; or

b. that the materials containing hazardous substances contributed to the Site by such person have contributed significantly, or could contribute significantly, either individually or in the aggregate, to the cost of response action or natural resource restoration at the Site.

26. Claims Against De Minimis and Ability to Pay Parties. Settling Parties agree not to assert any claims and to waive all claims or causes of action (including but not limited to claims or causes of action under Sections 107(a) and 113 of CERCLA) that they may have for response costs relating to the Site against any person that has entered or in the future enters into a final Section 122(g) *de minimis* settlement, or a final settlement based on limited ability to pay, with EPA with respect to the Site. This waiver shall not apply with respect to any defense, claim, or cause of action that a Settling Party may have against any person if such person asserts a claim or cause of action relating to the Site against such Settling Party.

X. EFFECT OF SETTLEMENT/CONTRIBUTION

27. Except as provided in Paragraphs 24 and 26 (Waiver of Claims by Settling Parties), nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Settlement Agreement. Except as provided in Section IX (Covenants by Settling Parties), each of the Parties expressly reserves any and all rights (including, but not limited to, pursuant to Section 113 of CERCLA, 42 U.S.C. § 9613), defenses, claims, demands, and causes of action that each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto. Nothing in this Settlement Agreement diminishes the right of the United States, pursuant to Section 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613 (f)(2)-(3), to pursue any such persons to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

28. The Parties agree that the actions undertaken by Settling Parties in accordance with this Settlement Agreement do not constitute an admission of any liability by any Settling Party. Settling Parties do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Settlement Agreement, the validity of the facts or allegations contained in Section II of this Settlement Agreement.

29. The Parties agree that this Settlement Agreement constitutes an administrative settlement for purposes of Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), and that each Settling Party is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), or as may be otherwise provided by law, for "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are Past Response Costs. The Parties further agree that this Settlement Agreement constitutes an administrative settlement for purposes of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which each Settling Party has, as of the Effective Date, "resolved its liability to the United States for Past Response Costs".

30. Each Settling Party shall, with respect to any suit or claim brought by it for matters related to this Settlement Agreement, notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Party also shall, with respect to any suit or claim brought against it for matters related to this Settlement Agreement, notify EPA in writing within 10 days after service of the complaint or claim upon it. In addition, each Settling Party shall notify EPA within 10 days after service or receipt of any Motion for Summary Judgment and within 10 days after receipt of any order from a court setting a case for trial, for matters related to this Settlement Agreement.

31. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however,

that nothing in this Paragraph affects the enforceability of the Covenants by EPA set forth in Section VII.

32. Effective upon signature of this Settlement Agreement by a Settling Party, such Settling Party agrees that the time period commencing on the date of its signature and ending on the date EPA receives from such Settling Party the payment required by Section V (Payment of Response Costs) and, if any, Section VI (Failure to Comply with Settlement Agreement) shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by the United States related to the "matters addressed" as defined in Paragraph 29, and that, in any action brought by the United States related to the "matters addressed," such Settling Party will not assert, and may not maintain, any defense or claim based upon principles of statute of limitations, waiver, laches, estoppel, or other defense based on the passage of time during such period. If EPA gives notice to Settling Parties that it will not make this Settlement Agreement effective, the statute of limitations shall begin to run again commencing ninety days after the date such notice is sent by EPA.

XI. ACCESS TO INFORMATION

33. Settling Parties shall provide to EPA, upon request, copies of all records, reports, document, and other information (including records, reports, documents, and other information in electronic form) (hereinafter referred to as "Records") within their possession or control or that of their contractors or agents relating to activities at the Site or to the implementation of this Settlement Agreement, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information regarding the Site.

34. Privileged and Protected Claims.

a. Settling Parties may assert that all or part of a Record is privileged or protected as provided under federal law, provided they comply with Paragraph 34.b, and except as provided in Paragraph 34.c.

b. If Settling Parties assert a claim of privilege or protection, they shall provide EPA with the following information regarding such Record: its title; its date; the name, title, affiliation (e.g., company or firm), and address of the author, each addressee, and of each recipient; a description of the Record's contents; and the privilege or protection asserted. If a claim of privilege or protection applies only to a portion of a Record, Settling Parties shall provide the Record to EPA in redacted form to mask the privileged or protected information only. Settling Parties shall retain all Records that they claim to be privileged or protected until the United States has had a reasonable opportunity to dispute the privilege or protection claim and any such dispute has been resolved in the Settling Parties' favor.

c. Settling Parties may make no claim of privilege or protection regarding:

(1) any data regarding the Site, including but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, radiological, or

engineering data, or the portion of any other Record that evidences conditions at or around the Site; or

(2) the portion of any Record that Settling Parties are required to create or generate pursuant to this Settlement Agreement.

35. Business Confidential Claims. Settling Parties may assert that all or part of a Record submitted to EPA under this Section or Section XII (Retention of Records) is business confidential to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Settling Parties shall segregate and clearly identify all Records or parts thereof submitted under this Settlement Agreement for which Settling Parties assert a business confidentiality claim. Records submitted to EPA determined to be confidential by EPA will be accorded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies Records when they are submitted to EPA or if EPA has notified Settling Parties that the Records are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2 Subpart B, the public may be given access to such Records without further notice to Settling Parties.

36. Notwithstanding any provision of this Settlement Agreement, the United States retains all of its information gathering and inspection authorities and rights, including enforcement actions relating thereto, under CERCLA, RCRA, and any other applicable statutes or regulations.

XII. RETENTION OF RECORDS AND CERTIFICATION

37. Until ten years after the Effective Date, each Settling Party shall preserve and retain all non-identical copies of Records (including records in electronic form) now in its possession or control, or that come into its possession or control, that relate in any manner to liability under CERCLA with respect to the Site or to the implementation of this Settlement Agreement, provided, however, that Settling Parties who are potentially responsible as owners or operators of the Site must retain, in addition, all Records that relate to the liability of any person under CERCLA with respect to the Site. Each of the above record retention requirements shall apply regardless of any corporate retention policy to the contrary.

38. After the conclusion of the ten-year record retention period, Settling Parties shall notify EPA at least 90 days prior to the destruction of any such Records and, upon request by EPA, and except as provided in Paragraph 34 (Privileged and Protected Claims), Settling Parties shall deliver any such Records to EPA.

39. Each Settling Party certifies individually that, to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed, or otherwise disposed of any Records (other than identical copies) relating to its potential liability regarding the Site since notification of potential liability by the United States or the state and that it has fully complied with any and all EPA and state requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927, and state law.

XIII. NOTICES AND SUBMISSIONS

40. Whenever, under the terms of this Settlement Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified in this Section shall constitute complete satisfaction of any written notice requirement of this Settlement Agreement with respect to EPA and the Settling Parties.

As to EPA:

Section Chief, Enforcement Assessment (6SF-TE)
U.S. EPA, Region 6
1445 Ross Ave., Suite 1200
Dallas, Texas 75202-2733

As to Settling Parties:

Elaine Mills
General Dynamics OTS
11399 16th Court North, Suite 200
St. Petersburg, FL 33716
Elaine.mills@gd-ots.com
Ph: 727-465-6868

Dean L. Grayson
Alliant Techsystems Inc.
1501 S. Clinton Street, 11th floor
Baltimore, MD 21224
Ph: (410) 864-4951

XIV. INTEGRATION

41. This Settlement Agreement constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Settlement Agreement. The Parties acknowledge that there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Settlement Agreement.

XV. PUBLIC COMMENT

42. This Settlement Agreement shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, EPA may modify or withdraw its consent to this Settlement Agreement if comments received disclose facts or considerations that indicate that this Settlement Agreement is inappropriate, improper, or inadequate.

XVI. ATTORNEY GENERAL APPROVAL

43. The Attorney General or his/her designee has approved the settlement embodied in this Settlement Agreement in accordance with Section 122(h)(1) of CERCLA, 42 U.S.C. § 9622(h)(1).

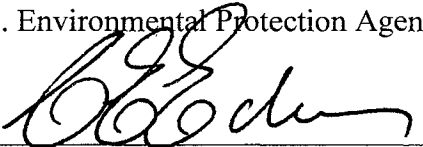
XVII. EFFECTIVE DATE

44. The effective date of this Settlement Agreement shall be the date upon which EPA issues the Respondents written notice that the public comment period pursuant to Paragraph 42 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Settlement Agreement.

IT IS SO AGREED:

For: U.S. Environmental Protection Agency

By:



Carl Edlund, P.E.
Superfund Division Director
EPA Region 6
U.S. Environmental Protection Agency

October 22, 2014

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THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 06-06-14, relating to the Explo Systems Inc. Site, Webster Parish, Louisiana:

FOR SETTLING PARTY: Alliant Techsystems, Inc.
1501 S. Clinton Street 11th Floor
Baltimore, Maryland 21224

By:


Dean L. Grayson

Vice-President, Assistant General Counsel

July 24, 2014

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 06-06-14, relating to the Explo Systems Inc. Site, Webster Parish, Louisiana:

FOR SETTLING PARTY: General Dynamics Ordnance and Tactical Systems, Inc.
11399 16th Court North, Suite 200
St. Petersburg, FL 33716

By: Del S. Dameron July 25th, 2014
Del S. Dameron
Vice-President, Assistant Secretary